GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:5098
ANSWERED ON:20.04.2001
CREDIT DEPOSIT RATIO OF BANKS
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Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that there is a large gap between deposit and credit ratio of commercial banks in various States particularly in Orissa during last three years ;

(b) if so, the state-wise details thereof and reasons therefor ; and

(c) the steps taken to bridge the gap between deposit and credit ratio of commercial banks in Orissa and other States ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL)

(a) and (b): State-wise Credit Deposit (CD) ratio of scheduled commercial banks including for the State of Orissa for the last three years are given in the Annexure. The CD ratio of banks varies from State to State. The credit flow in a State/Region depends upon various factors like availability of adequate infrastructural facilities, credit absorption capacity of the region, development of medium and large industries, properly developed marketing facilities, conducive atmosphere for investment, entrepreneurial initiatives, law and order situation in the region, satisfactory recovery position of the bank dues etc.

(c): Banks have been taking various measures for increasing the flow of bank credit as indicated below:

(i) Annual Credit Plans (ACPs) are prepared for each district every year and implementation thereof is monitored by various fora created under the Lead Bank Scheme viz. Block Level Bankers Committee at block level, District Consultative Committee at district level and State Level Bankers Committee (SLBC) at State level.

(ii) To go into the reasons for low credit deposit ratio and suggest measures for improving the same, Reserve Bank of India had appointed Task Forces in some states. The implementation of the recommendations made by these Task Forces is an on going process and progress in this regard is being monitored by the SLBCs.

(iii) National Bank for Agriculture and Rural Development has constituted Rural Infrastructure Development Funds for granting loans to the State Government for development of infrastructure projects in the rural areas.

These measures are expected to increase flow of bank credit and improve the CD ratio of the banks.

Annexure

CREDIT DEPOSIT RATIO OF SCHEDULED COMMERCIAL BANKS (In per cent)

STATE/U.T	MARCH 1998	MARCH 1999	MARCH 2000
1. ANDHRA PRADESH	72.1	68.5	63.6
2. ARUNACHAL PRADESH	13.1	14.1	16.6
3. ASSAM	32.9	31.5	31.5
4. BIHAR	27.5	25.2	22.5

5. GOA	24.6	25.0	24.2
6. GUJARAT	48.2	48.9	49.8
7 HARYANA	42.9	42.2	41.4
8. HIMACHAL PRADESH	21.6	22.0	22.9
9. JAMMU & KASHMIR	37.4	38.7	40.5
10. KARNATAKA	68.2	64.5	61.0
11. KERALA	44.3	41.1	42.3
12. MADHYA PRADESH	51.4	48.4	49.2
13. MAHARASHTRA	72.3	72.8	83.8
14. MANIPUR	58.8	41.7	36.4
15. MEGHALAYA	15.2	16.7	15.7
16. MIZORAM	23.2	20.6	24.3
17. NAGALAND	18.3	15.7	15.4
18. NCT OF DELHI	61.9	73.6	76.9
19. ORISSA	45.2	42.5	39.8
20. PUNJAB	38.6	38.7	39.1
21. RAJASTHAN	47.4	45.1	46.7
22. SIKKIM	20.7	20.0	13.8
23. TAMIL NADU	96.1	93.0	88.0
24. TRIPURA	34.0	29.4	25.8
25. UTTAR PRADESH	28.6	27.2	27.5
26 WEST BENGAL	46.1	43.8	45.2
27. ANDAMAN & NI	15.1	16.6	16.8
28. CHANDIGARH	58.0	83.8	52.6
29. DADRA & NH	21.4	21.3	21.7
30. DAMAN & DIU	20.6	17.6	15.8
31. LAKSHADWEEP	9.9	7.7	7.7
32. PONDICHERRY	35.9	33.8	32.8
ALL INDIA	55.5	55.5	57.1